



Employees' Retirement Board of Rhode Island
Monthly Meeting Minutes
Wednesday, October 9, 2013
9:00 a.m.
2nd Floor Conference Room, 50 Service Avenue

The Monthly Meeting of the Retirement Board was called to order at 9:00 a.m. Wednesday, October 9, 2013, in the 2nd Floor Conference Room, 50 Service Avenue, Warwick, RI.

I. Roll Call of Members

The following members were present at roll call: General Treasurer Gina M. Raimondo; Daniel L. Beardsley; Frank R. Benell, Jr.; Roger P. Boudreau; Michael R. Boyce; M. Carl Heintzelman; Richard A. Licht; John P. Maguire; John J. Meehan; Thomas A. Mullaney; Louis M. Prata and Jean Rondeau.

Also in attendance: Frank J. Karpinski, ERSRI Executive Director and Attorney Michael P. Robinson, Board Counsel.

Recognizing a quorum, Treasurer Raimondo called the meeting to order.

II. Approval of Minutes

On a motion by Frank R. Benell, Jr. and seconded by M. Carl Heintzelman, it was unanimously

VOTED: To approve the draft minutes and executive session minutes of the September 11, 2013 meeting of the Employees' Retirement System of Rhode Island.

III. Chairperson's Report

Treasurer Raimondo informed the Board there was no update regarding the pension reform litigation.

The Treasurer then provided the Board with a memo written by Chief Investment Officer Anne-Marie Fink, which was sent to the State Investment Commission members regarding a Rolling Stone magazine story on public pensions with a the focus on alternative investments portfolios. The Treasurer said it was important for members to read the memo to have a fair understanding of the issue.

Treasurer Raimondo then apprised the Board that the SEC closed the investigation into bond disclosure practices by the State of Rhode Island. She told the Board that the SEC is taking no action.

The Treasurer then apprised the Board that the 1-year performance as of August 31, 2013 is 10.2% and the 3-year performance is 10.4% at lower risk levels.

IV. Executive Director's Report

Director Karpinski apprised the Board that they were in possession of the September 30, 2013 Pension Application Report and the Disability Subcommittee Report.

Director Karpinski apprised the Board of a matter regarding a proposed SEC rule under the Dodd-Frank Act regarding requirements for municipal advisors. Under the proposed rule, appointed public members of a Board would have been included in the definition of a municipal advisor and would have been required to register with the SEC. He then said on September 18, 2013, the SEC adopted a rule exempting people serving as members of a governing body to the extent that they are acting within their official capacity. Consequently, no Board members will be required to register with the SEC.

The Director updated the Board and noted that ERSRI is finishing an application for Cyber Insurance (part of the original computer project) and will shortly forward the application to the State Risk Manager for review.

The Director apprised the Board that the IT Contractor, Morneau Shepell, has been on-site at ERSRI and is analyzing requirements.

The Director apprised the Board that the Regulation regarding the election of Social Security Supplemental Option (SRA Plus) for members who selected it prior to the enactment of RIRSA, has a public notice posted for a public hearing scheduled for November 1, 2013 at 3 p.m. at the ERSRI office. Director Karpinski noted that if no comments are provided or adjustments given, after 20 calendar days on November 24, 2013 the rule would become effective. He told the Board that Gabriel, Roeder, Smith and Company (GRS,) would provide calculations for the 1,500 affected members, which will be included in individual letters versus a newsletter announcement.

Director Karpinski noted the communication strategy would be to provide presentations for members to attend and ask questions. Both Treasurer Raimondo and Mr. Boudreau suggested four regional meetings beginning in December. Mr. Licht said the letter to the 1,500 members should provide the times and locations of the presentations.

Director Karpinski also apprised the Board that next month ERSRI's internal auditors, formerly known as Sullivan & Company now known as BlumShapiro, will provide an update on the status of the employer payroll audit on 12 communities audited thus far.

The Director apprised the Board that ERSRI will be performing another IT security audit to examine the systems and operations.

Director Karpinski reminded the Board that the planning session will be held October 21st at the RI Interlocal Risk Management Trust in East Providence starting at 1:00 p.m. and stressed the importance of their attendance.

Director Karpinski referenced the *New Retiree Detail Report* and mentioned some members may appear to have not met the age requirement under RIRSA. However, the Director noted that these retirees represent those who have taken one of the two transition rules provided under RIRSA. One rule permits members to receive benefits as of June 30 2012 if they work to their article 7 date and the other rule permits a member to retire 5 years before his/her RIRSA date and take a 9% reduction per year.

Lastly, Director Karpinski apprised the Board that the "*Report of Contributions*" delinquency report noted that the Town of Scituate and the Urban Collaborative were marked as delinquent but have subsequently made payments.

V. Administrative Decisions

None this month

VI. Approval of the September Pensions as Presented by ERSRI

On a motion by John P. Maguire and seconded by Roger P. Boudreau, it was unanimously

VOTED: To approve the September pensions as presented.

VII. Legal Counsel Report

Attorney Robinson updated the Board on the Central Coventry Fire District matter in Superior Court. He noted that Judge Brian P. Stern had signaled an intent to rule on October 18, 2013 regarding the MERS' pending motions, and he anticipated thereafter providing an update to the Board at the November meeting. Mr. Maguire asked Attorney Robinson for clarification of the pending motions, and Attorney Robinson clarified that one is to compel a tax levy to satisfy the outstanding \$628,000 indebtedness, and the other is to establish ERSRI's status as a priority creditor.

Attorney Robinson also noted that on October 21, 2013 a budget meeting for the district is scheduled wherein the new Board of Directors is expected to present a proposed budget.

VIII. Committee Reports

Disability Subcommittee:

The Disability Subcommittee recommended the following actions on disability applications for approval by the full Board as a result of its meeting on October 4, 2013:

Name	Membership Group	Type	Action
1. Benita Fernandez	State	Accidental	Postpone
2. Madeline Viveiros	State	Accidental	Postpone
3. Kimberly Rawson	State	Deny Accidental	Approve Ordinary*
4. Nicholas Romeo	Municipal	Accidental	Postpone
5. Paul Venditto	Municipal	Accidental	Postpone
6. Suzanne Marsella	Teacher	Accidental	Approve @ 50%
7. Joann Fandetti	State	Ordinary	Approve

Name	Membership Group	Type	Action
8. Ann Patterson	Teacher	Accidental	Deny
9. Mark Hanlon	State	Accidental	Postpone
10. Mary MacLaughlin	Municipal	Accidental	Postpone
11. Linda Rose	State	Deny Accidental	Approve Ordinary **
12. Domenic Cardillo	Municipal	Ordinary	Deny

**Kimberly Rawson—Approval contingent only if she applies for an ordinary disability*

***Linda Rose –Approved for an ordinary disability since already applied*

On a motion by Daniel L. Beardsley and seconded by Michael R. Boyce, it was unanimously

VOTED: To approve the recommendation of the Disability Subcommittee meeting of Friday, October 4, 2013 on items 1, 2, 3, 4, 5, 7, 9, 10 and 12.

On a motion by Daniel L. Beardsley and seconded by Michael R. Boyce, it was unanimously

VOTED: To approve the recommendation of the Disability Subcommittee meeting of Friday, October 4, 2013 on items 6 and 8.

John P. Maguire recused himself from the vote on numbers 6 and 8.

On a motion by Daniel L. Beardsley and seconded by Michael R. Boyce, it was unanimously

VOTED: To approve the recommendation of the Disability Subcommittee meeting of Friday, October 4, 2013 on item 11.

John J. Meehan recused himself from the vote on number 11.

IX. Adjournment

There being no other business to come before the Board, on a motion by John P. Maguire and seconded by Frank R. Benell, Jr., the meeting adjourned at 9:29 a.m.

Respectfully submitted,

Frank J. Karpinski
Executive Director